No. 02-800

IN THE

Supreme Court of the United States

ARROW COMMUNICATION LABORATORIES, INC. (DOING BUSINESS AS ARCOM), NORTHERN CATV SALES, INC., ANDREW TRESNESS, MARY TRESNESS, AND GREG TRESNESS,
Petitioners,

v.

EAGLE COMTRONICS, INC.,
Respondent.

On Petition for a Writ of Certiorari to the United States Court of Appeals for the Federal Circuit

RESPONDENT'S BRIEF IN OPPOSITION

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QUESTION PRESENTED

Whether there is any basis for vacating the judgment of the Federal Circuit and remanding this case for consideration of this Court's decision in *Festo Corp. v. Shoketsu Kinzoko Kogyo Kabushiki Co.*, 535 U.S. 722, 122 S.Ct. 1831 (2002), where that decision was already considered by the Federal Circuit and where that decision is not applicable and would not change the outcome of this case.

CORPORATE DISCLOSURE STATEMENT

Pursuant to Supreme Court Rule 29.6, Eagle Comtronics, Inc. has no parent corporation, and no publicly held company owns 10 percent or more of the stock of Eagle Comtronics, Inc.

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PRELIMINARY STATEMENT

This case presents no issue worthy of review by the Supreme Court. The decision by the Court of Appeals for the Federal Circuit was an interlocutory and correct application of "prosecution history estoppel" to the unique fact pattern presented by the evidence in this case. The Federal Circuit properly considered the entire prosecution history and concluded that Eagle was not precluded based on arguments made before the U.S. Patent & Trademark Office from asserting infringement under the doctrine of equivalents.

Petitioners (collectively referred to as "Arcom"), unsatisfied with the outcome, merely seek rehearing and reconsideration by the Federal Circuit. Arcom attempts to cast its argument as one seeking consideration of intervening law of this Court not previously considered. In particular, Arcom seeks to have the Federal Circuit's judgment vacated and the case remanded for consideration of this Court's decision in *Festo Corp. v. Shoketsu Kinzoko Kogyo Kabushiki Co.*, 535 U.S. 722, 122 S.Ct. 1831 (2002). But that decision was not intervening and it was considered by the Federal Circuit.

The Federal Circuit's judgment was rendered more than three months after the *Festo* decision. Arcom twice wrote to the Federal Circuit before judgment was rendered for the sole purpose of citing this Court's *Festo* decision as supplemental authority. Arcom again cited *Festo* after judgment in its petition for rehearing and rehearing *en banc* filed before the Federal Circuit, which was granted by the Federal Circuit for the limited purpose of correcting a citation. Simply, there is nothing to suggest that the Federal Circuit failed to consider the *Festo* decision.

Further, there is no probability that the Federal Circuit's reconsideration of *Festo* would change the outcome of the case. Festo concerned the scope of prosecution history estoppel based on narrowing claim amendments. In this case, there was no allegation of estoppel based on claim

amendments. Instead, Arcom asserted estoppel based on arguments made during the prosecution history. The Federal Circuit fully and correctly considered this Court's precedent, as well as its own, and the entire prosecution history of U.S. Patent No. 5,662,494 ("the '494 patent") and concluded that Eagle was not barred from asserting a claim of infringement under the doctrine of equivalents. Nothing in *Festo* requires a different outcome.

Arcom's petition also fails because it improperly relies on matters not raised before the Federal Circuit and improperly asserts facts where no factual findings have been made. For instance, Arcom's petition is premised on its assertion that the accused device, including a one-piece collet assembly, was foreseeable. But Arcom did not raise this issue on appeal. Moreover, no factual findings have been made concerning whether such a device would have been foreseeable. Likewise, despite Arcom's repeated assertions that Eagle knew of a one-piece collet assembly at the time of its '494 patent, no such factual finding has been made. Because of these and other material issues of fact, the Federal Circuit could not decide this matter on remand.

COUNTERSTATEMENT OF THE CASE

In this case, Respondent, Eagle Comtronics, Inc., sued petitioners for infringement of its '494 patent. Eagle asserted infringement under the doctrine of equivalents because Arcom's cable filters are identical to the invention claimed in the '494 patent except that Arcom uses an integrated, one-piece collet assembly rather than a front cap press fit on a rear insert body.

The '494 patent discloses a collet assembly having a front cap 72, a rear insert body 74, and a seal (76 in Fig. 7 and 79 in Fig. 8, shown below). The front cap and rear insert body are press-fit together and act as an integral unit. The collet assembly is in a filter housing, as shown in Fig. 9 below, and

the seal 76 or 79 seals the interface between the collet assembly and the filter housing.

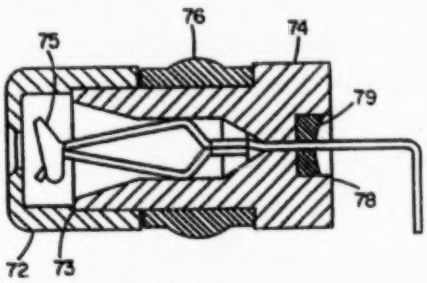


Fig. 7

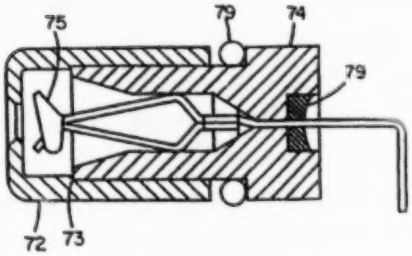


Fig. 8

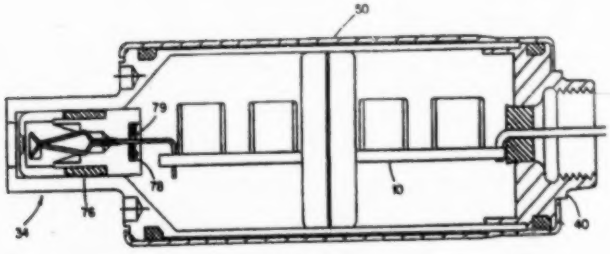
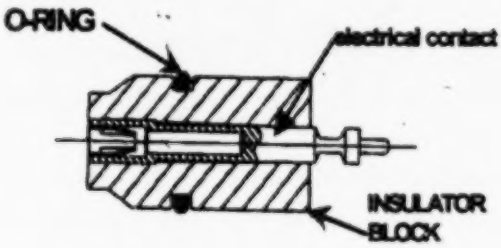


Fig. 9

Arcom's collet assembly is identical to that disclosed and claimed in the '494 patent, except that Arcom has integrated the front cap and rear insert body into a single piece. Arcom's collet assembly (shown below) has a one-piece insulation block with a seal located between the front and rear portions of the insulation block to seal the interface between the collet assembly and the filter housing. Accordingly,

Arcom's collet assembly merely integrates the '494 patent's claimed front cap and rear insert body, a structure that is designed to operate as an integral unit. Because such a change is nothing more than an insubstantial change from the claimed invention, Eagle has claimed infringement of its '494 patent under the doctrine of equivalents.



During the prosecution of the '494 patent, Eagle distinguished its invention from prior art that had used sealant injected into the filter housing after it was assembled to cover the rear of the collet assembly in an attempt to seal the electronic components from moisture and other contaminants. Eagle consistently maintained that the prior art taught using sealant at the rear of the collet assembly and that none of the prior art taught using a seal in a filter at the interface between the collet assembly and the filter housing. Eagle did not distinguish its invention on the basis that it required a collet assembly having separate components, nor did it amend its claims to recite that its collet assembly requires separate components. Eagle therefore did not surrender claims to a one-piece collet assembly.

On Arcom's motion for summary judgment of noninfringement, the district court held that Eagle was barred by prosecution history estoppel from pursuing its infringement claim. The district court did not rely on any amendments Eagle had made to the claims, but instead found that through arguments Eagle had "surrendered any claims concerning the

use of one-piece collet assembly bodies." On appeal, the Federal Circuit considered the entire prosecution history, and held that Eagle was not barred by prosecution history estoppel from asserting that Arcom's one-piece collet assembly body infringed the '494 patent under the doctrine of equivalents. The Federal Circuit noted that, while Eagle had argued over the prior art, "its arguments were not based on the fact that the claimed collet assembly was made of two pieces or were separable." (Pet. App. at 27a.)

REASONS FOR DENYING THE WRIT

I. *FESTO* DOES NOT APPLY

Arcom's petition should be denied because this Court's *Festo* decision does not apply to the issues that were on appeal to the Federal Circuit and would not change the outcome of the Federal Circuit's judgment. In *Festo*, this Court considered the scope of prosecution history estoppel when claims have been narrowed by amendment. The instant case, however, does not concern prosecution history estoppel based on a claim amendment.

In *Festo*, the Court stated that the "first question" it considered "concerns the kinds of amendments that may give rise to estoppel." 122 S.Ct. at 1839. The Court described the second question as "[d]oes the estoppel bar the inventor from asserting infringement against any equivalent to the narrowed element or might some equivalents still infringe?" *Id.* at 1840. The Federal Circuit had held that prosecution history "applies to every amendment made to satisfy the requirements of the Patent Act" and that estoppel based on the amendment "bars suit against every equivalent to the amended claim element." *Id.* at 1835.

On the first question, this Court concluded that "[e]stoppel arises when an amendment is made to secure the patent and the amendment narrows the patent's scope." *Id.* at 1840. The Court disagreed with the Federal Circuit on the second

question and declined to "adopt the complete bar." *Id.* The Court explained that, "[t]hough prosecution history estoppel can bar challenges to a wide range of equivalents, its reach requires an examination of the subject matter surrendered by the narrowing amendment." *Id.* The Court stated that, while it had not "weighed the merits of the complete bar against the flexible bar in its prior cases, we have consistently applied the doctrine in a flexible way, not a rigid one." *Id.* at 1841.

In contrast, the present case does not concern estoppel based on a claim amendment or the Federal Circuit's application of a complete bar instead of a flexible bar. Instead, Arcom asserted prosecution history estoppel based on arguments made in the prosecution history. It raised no other prosecution history estoppel issues. Further, the Federal Circuit did not adopt a complete bar approach to the doctrine of prosecution history estoppel as had been done in the Federal Circuit's *Festo* decision. Instead, the Federal Circuit, consistent with this Court's precedent, including *Festo*, considered the entire prosecution history to determine whether Eagle surrendered any equivalents.

The Federal Circuit's decision shows that the court fully considered the issue of prosecution history estoppel. The Federal Circuit, citing this Court's decision in *Warner-Jenkinson Co. v. Hilton Davis Chem. Co.*, 520 U.S. 17 (1997), explained that "[i]nfringement under the doctrine of equivalents requires that the accused product contain each limitation of the claim or its equivalent." (Pet. App. at 24a.) The Federal Circuit noted several limits to the application of the doctrine of equivalents, including prosecution history estoppel. (Pet. App. at 24a-25a.) The Federal Circuit explained that the "doctrine of prosecution history estoppel bars a patentee from asserting as an equivalent subject matter surrendered during prosecution of the patent application." (Pet. App. at 26a.)

The Federal Circuit noted that "Arcom does not allege amendment-based estoppel" but instead "argues that Eagle is estopped under argument-based estoppel." (Pet. App. at 26a.) The court acknowledged that arguments could lead to estoppel, but concluded "[a]fter reviewing the entire prosecution history here" that there was no estoppel. (Pet. App. at 27a.)

In particular, the Federal Circuit considered the arguments made during the prosecution and concluded that Eagle did not surrender a one-piece collet assembly body. The Federal Circuit explained that, while Eagle had "distinguished the prior art by noting that the claimed seal was located between the front cap and the rear insert body, its arguments were not based on the fact that the claimed collet assembly was made of two pieces or were separable." (Pet. App. at 28a.) The court explained that "[r]ather, those arguments were based on the prior art not teaching or suggesting the use of a seal at the interface between the collet assembly and the filter housing." (Pet. App. at 28a.) The Federal Circuit therefore fully considered whether there was an estoppel and the scope of that estoppel. This Court's *Festo* decision neither applies to nor changes the Federal Circuit's judgment.

II. THE FEDERAL CIRCUIT FULLY CONSIDERED *FESTO*

Arcom's petition is premised on the erroneous assertion that the Federal Circuit ignored the Court's *Festo* decision. This Court rendered its decision in *Festo* on May 28, 2002, more than three months before the Federal Circuit rendered its judgment in this case on September 17, 2002.

Arcom cites three cases where the Court granted GVR orders on the basis of *Festo*. Those cases, however, specifically relied on the Federal Circuit's decision in *Festo* and had themselves been decided prior to this Court's *Festo* decision, not after *Festo* as here. *See, e.g., Creo Prods. Inc. v. Dainippon Screen Mfg. Co.*, 10 Fed. Appx. 921 (Fed. Cir. May 14, 2001); *Insituform Techs., Inc. v. Cat Contracting,*

Inc., 10 Fed. Appx. 871 (Fed. Cir. Mar. 26, 2001); *Accu-Scan, Inc. v. Xerox Corp.*, 18 Fed. Appx. 828 (Fed. Cir. May 31, 2001).

Arcom claims in its petition that there is no indication that the Federal Circuit considered *Festo*. But Arcom twice wrote to the Federal Circuit prior to entry of judgment, citing *Festo* as supplemental authority. Moreover, Arcom again cited *Festo* in a petition for rehearing and for rehearing *en banc* filed before the Federal Circuit, primarily arguing the Federal Circuit's decision conflicts with *Festo*. The Federal Circuit not only considered Arcom's petition for rehearing, but it granted the petition for the limited purpose of correcting a citation. Thus, Arcom has no basis for asserting that the Federal Circuit failed to consider its petition for rehearing, including its arguments concerning *Festo*. That the Federal Circuit did not cite *Festo* does not mean that it did not consider that decision. Indeed, there is no reason to believe the Federal Circuit would not consider such an important decision. Rather, as discussed above, *Festo* is neither applicable to nor determinative of the issues that had been appealed to the Federal Circuit.

III. REVIEW NOT APPROPRIATE ON GROUNDS RAISED IN THE PETITION

Given the procedural posture of this case, the review sought by Arcom is not appropriate. Arcom's petition is premised on its claim that a one-piece collet assembly was foreseeable at the time of the '494 patent and that *Festo* should bar a claim of infringement under the doctrine of equivalents. Arcom asserts that it raised the issue of whether a one-piece collet assembly was "foreseeable" in the district court. But Arcom did not raise this issue on appeal, thereby electing to drop the issue. Accordingly, it is not an issue that was properly before the Federal Circuit on appeal, and, as a result, is not an issue the Federal Circuit could consider on remand.

Arcom's petition is also premature because the Federal Circuit's decision is interlocutory. The Federal Circuit vacated and remanded the district court's decision. Since that time, the parties have continued the proceedings that were interrupted by the now-reversed summary judgment ruling. The parties have remaining issues to be tried, which may moot the issue that Arcom seeks to have reheard at the Federal Circuit. Given the posture of this case, this Court should deny Arcom's certiorari petition.

IV. DISPUTED FACTUAL ISSUES PRECLUDE DECISION

Arcom's petition also fails because there remain disputed issues of fact on the forseeability issue that would prevent the Federal Circuit from deciding the issue. Arcom's petition is premised on its assertion that Eagle had knowledge of a one-piece collet assembly at the time of the '494 patent and that such assembly would have been foreseeable. Yet no such factual findings have been made in this case.

For instance, Arcom repeatedly asserts "the patentee in this case knew of two configurations at the time it prepared the claims of its patent application, and drafted the claims to cover only one of those configurations." (Pet. at i; *see also* Pet. at 10-11.) Arcom likewise alleges that "[a]t the time of drafting the claims for the '494 patent, Eagle was fully aware of a one-piece construction, as well as one that uses a front cap and rear insert body and an intermediate seal—but it disclosed and claimed only the latter." (Pet. at 8.) The district court, however, has made no factual findings concerning what the inventors of the '494 patent or Eagle knew at the time the application was filed.

In support of its assertion regarding knowledge, Arcom relies on a drawing prepared by an Eagle employee as purportedly showing that Eagle was aware of a one-piece collet assembly, but no factual findings have been made on this subject either, including what the drawing shows or whether

the inventors of the '494 patent or Eagle were aware of the drawing at the time the application for the '494 patent was filed.

Similarly, there have been no factual findings regarding whether a one-piece collet assembly would have been foreseeable to a person of ordinary skill in the art. In fact, directly contrary to Arcom's assertion that the one-piece collet assembly would have been foreseeable, Arcom has filed its own patent application seeking claims covering a one-piece collet assembly. Arcom has taken the position before the U.S. Patent & Trademark Office that its one-piece collet assembly would not have been obvious in view of the '494 patent.

These and other factual issues remain, which preclude the Federal Circuit from deciding the issue for which Arcom seeks a remand.

CONCLUSION

For the foregoing reasons, the petition for a writ of certiorari should be denied.

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